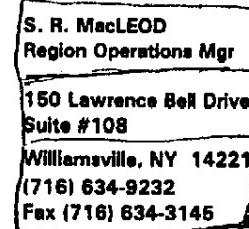


# RJ REYNOLDS

TOBACCO COMPANY

November 8, 1996



## ALL SALES PERSONNEL WITH VAP DIRECT ACCOUNT RESPONSIBILITY

### VAP PAYMENTS

In an effort to streamline work efficiencies, the ROU will automatically request direct account VAP packing payments (@ \$28 per 12M case) two weeks after the scheduled delivery date to retail. This process is designed to improve and minimize the administration process for all involved.

If you are aware of unique situations with one of your direct accounts, and do not want the VAP payment issued, advise PC, Judy Campbell prior to the two-week window on which checks will be processed for payment, or return voucher to Judy to be 'Voided'.

*This process is effective immediately, and applies only to VAP. It remains the Manager's / Sales Reps' responsibility to ensure that promotion distribution has been made to retail prior to presenting payment to direct account(s).*

Also attached for your use is our VAP Payment Guidelines. Should you have any questions, please contact me.

Sincerely,

*Stephen*

S. R. MacLeod  
Regional Operations Manager

SRM/jc

cc: W. J. Roth  
J. Campbell

51859 6833

## **VAP Payments (12M Case Equivalents)**

<b>I. Packs</b>	<b>Pack Only ①</b>	<b>Ship Only</b>	<b>Pack and Ship</b>
- B1G1F	-	\$9	-
- BSGSF	\$19	\$9	\$28
- Sticker (VPR/Coupon/Buydown Sticker)	\$19	-	\$28
- Premium	\$19	75¢ per SKU	\$28
<b>II. Cartons</b>			
- B1CTNG5F/ B1CTNG1CTNF/ Top-Applied Coupon	\$6	-	\$9
- End-Applied Coupon	\$3	-	\$6

① Applies primarily to Price Clubs/Sam's.

- Payment for gratis promotions should be based upon live product only (account receives 3¼% on all product plus 14-day terms).
- No payment for just shipment of pure gratis (account receives 3¼%).
- No payment for just buydown product with no stickers (plus business for account).

Exceptions could be if off invoice billing utilized by direct account to retail account. Suggested payment 3-5¢ per carton.